

Article 4: City Employees' Retirement System

Division 6: Optional Settlements and Survivor Benefits

*("Administration" incorp. 1-22-1952 by O-5046 N.S.
contained in O-10792 O.S. adopted 11-29-1926;
repealed 10-25-1962 by O-8744 N.S.)
("Optional Settlements for Members and Safety
Members" added 10-25-1962 by O-8744 N.S.)
(Retitled to "Optional Settlements and Survivor Benefits
on 6-19-2000 by O-18815 N.S.)*

§24.0601 Settlement of Options

In lieu of the retirement allowance for his life alone, a member, including a safety member, may elect, or revoke or change a previous election prior to the approval of the previous election, to have the actuarial equivalent of his retirement allowance as of the date of retirement applied to a lesser retirement allowance, in accordance with one of the optional settlements specified in this ordinance. Said election, or revocation or change thereof, with respect to safety members, shall apply to all of the retirement allowance, if, at the effective date of retirement for service, or for industrial disability, said member has no wife, child or dependent parents who were qualified for continuance of the allowance after the death of said member; or, if at retirement said member has a wife, child or dependent parents who were so qualified, then said election, or revocation, or change thereof, shall apply to the portion of the allowance which would not be continued after the member's death, regardless of dependents.
("Settlement of Options" added 12-8-1976 by O-11964 N.S.)

§24.0602 Change and Election of Options

Such election, revocation or change of election shall be made prior to the making of the first payment on account of any retirement allowance. If the member dies after the effective date of retirement, and, with respect to Option 1, after his retirement has been approved and within thirty days from the date upon which his election or change of election is received at the office of the Board of Administration, his election is of no effect, and if no part of the allowance of the member is automatically continued by this Board after his death, and regardless of election as to optional settlements, his death shall be considered as that of a member before retirement, unless the Board, upon its determination that the election would have been received at the office of this Retirement System more than thirty days prior to the death, but for circumstances not within the control of the member and not based upon any consideration of health, family relationship or other consideration personal to the member, accepts his election.

(“Change and Election of Options” added 12-8-1976 by O-11964 N.S.)

§24.0603 Optional Settlement 1

Optional Settlement 1 consists of the right to have a reduced retirement allowance paid him until his death, and if he dies before he receives in annuity payments the amount of his accumulated contributions at retirement, to have the balance at death paid to his beneficiary or estate.

(Incorp. 10-25-1962 by O-8744 N.S. — contained in Sec. 45 of O-6168 N.S., adopted 6-22-1954.)

§24.0604 Optional Settlement 1 — Further Defined

- (a) A member, including a safety member, who elects to receive Optional Settlement 1 may further elect by a writing filed with the Board to have all or part of the balance of his accumulated contributions remaining at his death and payable to his beneficiary or estate paid in accordance with either of the following sub-sections:
 - (1) In monthly installments, fixed in number or amount, and not involving life contingency, subject to such rules as the Board may adopt. Regular interest shall be credited on the unpaid balance of benefits payable.
 - (2) In equal monthly installments for the life of the beneficiary, with 120 installments certain.
- (b) If a member, including a safety member, dies without having made an election under subdivision (a) of this section, his beneficiary, after the death of the member and prior to the payment to him of the balance of the member's accumulated contributions payable to the beneficiary upon the death of the member, or any part thereof, may elect by a writing filed with the Board to have the said balance paid to him in the manner provided in sub-section (1) of subdivision (a) of this section of this ordinance.
- (c) When an election has been made to have all or part of the said balance of accumulated contributions paid in accordance with sub-section (1) or sub-section (2) of subdivision (a) of this section, the first of such installments shall be paid on the first day of the month next following the date when the said balance would otherwise be payable, and one of such installments shall be paid on the first day of each month thereafter. Such monthly installments shall be the actuarial equivalent of the amount of the said balance to be paid in installments on the date that the said balance would otherwise be payable.

No installments shall be commuted and paid in one sum unless the death of the beneficiary occurs during the period certain for which payments of the monthly installments are guaranteed; and in that event only payments due monthly during the remainder of the period certain shall be commuted, and such commutation shall be based on the rate of interest then being used under the Retirement System, and the commuted value shall be paid to the estate of the beneficiary, unless a contingent beneficiary has been named and qualifies to receive the balance of the guaranteed installments.

The Board may provide that any election by a member or by a beneficiary under the provisions of this section is void if the amount of the monthly installment is less than the minimum amount fixed by the Board.

(“Optional Settlement 1 — Further Defined” added 12-8-1976 by O-11964 N.S.)

§24.0605 Optional Settlement 2

Optional Settlement 2 consists of the right to have a reduced retirement allowance paid him until his death and thereafter to his beneficiary for life.

(Incorp. 10-25-1962 by O-8744 N.S. — contained in Sec. 47 of O-6168 N.S., adopted 6-22-1954.)

§24.0606 Optional Settlement 3

Optional Settlement 3 consists of the right to have a reduced retirement allowance paid him until his death, and thereafter to have one-half of his reduced retirement allowance paid to his beneficiary for life.

(Incorp. 10-25-1962 by O-8744 N.S. — contained in Sec. 48 of O-6168 N.S., adopted 6-22-1954.)

§24.0607 Optional Settlement 4

Optional Settlement 4 consists of such other benefits as are the actuarial equivalent of his retirement allowance that he may select, subject to the approval of the Board, upon the advice of the actuary. However, the actuarial equivalent of benefits under this optional settlement payable to the member’s beneficiary shall not exceed the actuarial equivalent of the benefits which would be payable to that beneficiary if the member had elected Optional Settlement 2.

Active Special Class Safety Members may at retirement select the Optional Settlement 4 in order to provide a monthly continuance over and above any amount to which their beneficiary is otherwise entitled to receive from this system.

(Amended 7-6-1965 by O-9247 N.S.; effective 7-1-1966.)

§24.0608 Social Security Integrated Option

All members of the City Employees' Retirement System who, on and after the integration date are entitled to Social Security benefits, shall have an option as follows:

Upon receipt of evidence furnished by the eligible member that said member will be entitled to Social Security benefits at age 65, the said eligible member upon retirement may request and the Board shall grant a modified retirement allowance which will be the actuarial equivalent of the unmodified retirement allowance; such retirement allowance shall be so modified as to provide a greater monthly payment before the first of the month in which the member attains the age of 65 and a lesser monthly payment commencing on such date; such greater monthly payment shall equal the sum of the lesser monthly payment plus the estimated individual's Old Age Insurance Benefits which will be payable. This modified allowance may be further modified on an actuarial basis in accordance with the provisions of Sections 24.0603, 24.0604, 24.0605, 24.0606 or 24.0607.

For officers and employees of The City of San Diego hired prior to January 1, 1982, the above provisions shall apply for that period of Social Security coverage prior to January 1, 1982. Subsequent to the withdrawal date (December 31, 1981), all provisions for social security integration shall be inapplicable to such employees except for the prior period of vesting.

(Amended 3-31-1997 by O-18392 N.S.)

§24.0609 Rules for Options Set by Board

The Board of Administration shall prescribe rules and regulations setting forth the procedure to be followed by a member, including a safety member, with respect to the exercise of the options above described.

(Rules for Options Set by Board added 12-8-1976 by O-11964 N.S.)

§24.0610 Surviving Spouse - Contribution Rates and Benefits

From and after July 1, 1973, every Member, shall, in addition to Normal Contributions, make survivor contributions in an amount equal to a percentage of the Normal Contributions as set forth below:

Membership Classification	Survivor Contributions as Percentage of Normal Contributions
General Members	9.98%
Safety Members	11.76%

Such survivor contributions, together with interest thereon, shall be paid to the Member or his or her beneficiary in the event the Normal Contributions are so paid under Sections 24.0206, 24.0306, and 24.0703.

Upon the death of any Member who retires for service or disability after the effective date of this section, his or her surviving spouse shall receive, on July 1, 1973 and thereafter, a monthly allowance equal to 50% of the decedent's monthly retirement allowance if:

- (a) the spouse is designated as beneficiary, and
- (b) the spouse was married to the deceased Member as of the date of the Member's retirement, and
- (c) the monthly retirement allowance of the deceased Member was not modified in accordance with Optional Settlement 1, 2, 3, or 4 provided by this System.

No benefits will be paid under this section if there is a surviving spouse who qualifies for and receives the special death benefit or modified special death benefits provided by this System.

Upon the retirement of a Member for service or disability having no spouse at the time of retirement who is eligible for benefits under this section the Member shall have the option of having refunded to him or her in a lump sum the Accumulated Contributions including interest made pursuant to this section, or of having these contributions treated as voluntary additional contributions made to provide a larger Annuity benefit. *(Renumbered from Sec. 24.0521 on 6-19-2000 by O-18815 N.S.)*

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